



CHINA YUANBANG PROPERTY HOLDINGS LIMITED

(Incorporated in Bermuda)

(Co. Reg. No: 39247)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group Statement of Comprehensive Income for year ended 30 June 2014. These figures have not been audited.

	Group Year ended		
	30/06/2014 RMB'000 Unaudited	30/06/2013 RMB'000 Audited	% Changes
Revenue	1,328,301	867,524	53.1
Cost of sales			
- Cost of properties held for sale recognised as expenses and other costs	(929,322)	(567,876)	63.6
- Write-down of properties held for sale to net realisable value	-	(8,446)	N.M.
	(929,322)	(576,322)	61.3
Gross profit	398,979	291,202	37.0
Other income and gains	21,098	11,382	85.4
Fair value adjustments on investment properties	96,171	68,190	41.0
Gain on disposal of a subsidiary	-	2,842	N.M.
Selling expenses	(70,293)	(73,725)	(4.7)
Administrative expenses	(104,157)	(87,508)	19.0
Operating profit	341,798	212,383	60.9
Finance costs	(2,336)	(1,663)	40.5
Profit before income tax	339,462	210,720	61.1
Income tax expense	(132,535)	(102,276)	29.6
Profit for the year	206,927	108,444	90.8
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations	2,352	(1,141)	(306.1)
Other comprehensive income for the year	2,352	(1,141)	(306.1)
Total comprehensive income for the year	209,279	107,303	95.0
Profit for the year attributable to:			
Owners of the Company	143,744	96,293	49.2
Non-controlling interests	63,183	12,151	420.0
	206,927	108,444	90.8

	Group Year ended		%
	30/06/2014	30/06/2013	
	RMB'000	RMB'000	
	Unaudited	Audited	Changes
Total comprehensive income attributable to:			
Owners of the Company	146,096	95,152	53.5
Non-controlling interests	63,183	12,151	420.0
	209,279	107,303	95.0

N.M. – Not meaningful

The Group's profit before income tax is arrived at after charging/(crediting):

	Group Year ended	
	30/06/2014	30/06/2013
	RMB'000	RMB'000
	Unaudited	Audited
Amortisation of land use rights	359	359
Depreciation of property, plant and equipment	9,327	5,438
Interest charges on financial liabilities carried at amortised cost	129,060	75,820
Less: amount capitalised in properties held under development	(126,724)	(74,157)
	2,336	1,663
Interest income on financial assets carried at amortised cost	(1,392)	(437)

1(b)(i) Statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position	Group		Company	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
ASSETS AND LIABILITIES				
Non-current assets				
Interests in subsidiaries	-	-	134,381	134,381
Property, plant and equipment	65,107	41,469	-	-
Investment properties	370,635	254,742	-	-
Land use rights	14,069	14,428	-	-
Deferred tax assets	30,754	22,241	-	-
	480,565	332,880	134,381	134,381
Current assets				
Properties held for development	94,006	87,148	-	-
Properties held under development	1,954,059	1,762,576	-	-
Properties held for sale	969,667	1,419,372	-	-
Account receivables	45	2,666	-	-
Prepayments, deposits paid and other receivables	670,411	435,496	1,324	1,465
Tax recoverable	9,118	18,922	-	-
Due from subsidiaries	-	-	355,377	312,316
Cash and bank balances	290,046	469,346	-	-
	3,987,352	4,195,526	356,701	313,781
Current liabilities				
Account payables	250,758	336,437	-	-
Receipts in advance	1,044,533	1,536,090	-	-
Accruals, deposits received and other payables	266,501	365,901	7,507	3,704
Interest-bearing bank and other borrowings	726,617	580,048	-	-
Income tax payable	173,314	98,104	-	-
	2,461,723	2,916,580	7,507	3,704
Net current assets	1,525,629	1,278,946	349,194	310,077
Total assets less current liabilities	2,006,194	1,611,826	483,575	444,458
Non-current liabilities				
Interest-bearing bank and other borrowings	753,170	603,728	-	-
Deferred tax liabilities	127,061	117,746	-	-
	880,231	721,474	-	-
Net assets	1,125,963	890,352	483,575	444,458

	Group		Company	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	RMB'000	RMB'000	RMB'000	RMB'000
	Unaudited	Audited	Unaudited	Audited
EQUITY				
Equity attributable to owners of the Company				
Share capital	133,882	127,721	133,882	127,721
Reserves	671,331	501,064	349,693	316,737
	805,213	628,785	483,575	444,458
Non-controlling interests	320,750	261,567	-	-
Total equity	1,125,963	890,352	483,575	444,458

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2014		As at 30/06/2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
506,300	220,317	389,210	190,838

Amount repayable after one year

As at 30/06/2014		As at 30/06/2013	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
483,130	270,040	590,300	13,428

Details of any collateral

As at 30 June 2014, the Group's bank loans were secured by the pledge of the Group's properties held for development, properties held under development, properties held for sale and investment properties of RMB94,006,000, RMB556,329,000, RMB13,207,000 and RMB318,878,000 (FY2013: RMB84,731,000, RMB289,798,000, RMB411,198,000 and RMB206,128,000) respectively.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group Year ended	
	30/06/2014 RMB'000 Unaudited	30/06/2013 RMB'000 Audited
Cash flows from operating activities		
Profit before income tax	339,462	210,720
Adjustments for:		
Amortisation of land use rights	359	359
Depreciation of property, plant and equipment	9,327	5,438
Fair value adjustments on investment properties	(96,171)	(68,190)
Interest expense	2,336	1,663
Interest income	(1,392)	(437)
Bargain purchase gains	-	(5)
Gain on disposal of a subsidiary, net	-	(2,842)
Write-down of properties held for sale	-	8,446
Operating profit before working capital changes	253,921	155,152
(Increase)/decrease in properties held for development	(6,858)	200,249
Increase in properties held under development	(44,199)	(301,520)
Decrease/(increase) in properties held for sale	429,983	(281,877)
Decrease/(increase) in account receivables	2,621	(484)
(Increase)/decrease in prepayments, deposits paid and other receivables	(235,776)	75,816
(Decrease)/increase in account payables	(85,679)	45,678
(Decrease)/Increase in receipts in advance	(491,557)	318,410
Decrease in accruals, deposits received and other payables	(118,526)	(60,540)
Cash (used in)/generated from operations	(296,070)	150,884
Income taxes paid	(46,719)	(115,283)
Interest received	1,392	437
<i>Net cash (used in)/generated from operating activities</i>	<i>(341,397)</i>	<i>36,038</i>
Cash flows from investing activities		
(Increase)/decrease in restricted bank deposits	(156,871)	21,414
Acquisition of business, net of cash acquired	-	9,694
Proceeds from disposal of interest in a subsidiary	-	16,000
Proceeds on disposals of property, plant and equipment	-	4,422
Purchases of property, plant and equipment	(33,538)	(5,142)
<i>Net cash (used in)/generated from investing activities</i>	<i>(190,409)</i>	<i>46,388</i>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	46,041	-
Shares issue expense	(2,609)	-
Interest paid	(129,060)	(75,820)
Capital injection by non-controlling interests	-	9,400
Capital refund to non-controlling interests of de-registered subsidiary	(4,000)	-
Dividend paid	(13,100)	-
Proceeds from bank and other borrowings	907,818	290,657
Repayments of bank and other borrowings	(611,807)	(271,580)
<i>Net cash generated from/(used in) financing activities</i>	<i>193,283</i>	<i>(47,343)</i>

	Group	
	Year ended	
	30/06/2014	30/06/2013
	RMB'000	RMB'000
	Unaudited	Audited
Net (decrease)/increase in cash and cash equivalents	(338,523)	35,083
Effect on exchange translation	2,352	(1,141)
Cash and cash equivalents at beginning of year	432,935	398,993
Cash and cash equivalents at end of year	96,764	432,935
Note:		
Cash and bank balances	290,046	469,346
Less: Restricted bank deposits	(193,282)	(36,411)
Analysis of balances of cash and cash equivalents	96,764	432,935

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital RMB'000	Share premium* RMB'000	Merger reserve* RMB'000	Revaluation reserve* RMB'000	Statutory reserve* RMB'000	Translation reserve* RMB'000	Dividend Proposed* RMB'000	Retained earnings * RMB'000	Non-controlling Interests RMB'000	Total RMB'000
At 30 June 2012 and 1 July 2012 (Audited)	127,721	265,314	20,720	4,582	33,226	2,023	-	80,047	247,623	781,256
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	9,400	9,400
Decrease in non-controlling interests as a result of disposal of a subsidiary	-	-	-	-	-	-	-	-	(7,709)	(7,709)
Increase in non-controlling interests as a result of acquisition of subsidiaries	-	-	-	-	-	-	-	-	102	102
Transactions with owners	-	-	-	-	-	-	-	-	1,793	1,793
Profit for the year	-	-	-	-	-	-	-	96,293	12,151	108,444
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- Exchange difference arising on translation of financial statements of foreign subsidiaries	-	-	-	-	-	(1,141)	-	-	-	(1,141)
Total comprehensive income for the year	-	-	-	-	-	(1,141)	-	96,293	12,151	107,303
Final dividend proposed	-	-	-	-	-	-	13,100	(13,100)	-	-
Transfer to statutory reserve	-	-	-	-	4,423	-	-	(4,423)	-	-
At 30 June 2013 and 1 July 2013 (Audited)	127,721	265,314	20,720	4,582	37,649	882	13,100	158,817	261,567	890,352
Dividend paid	-	-	-	-	-	-	(13,100)	-	-	(13,100)
Issuance of shares	6,161	39,880	-	-	-	-	-	-	-	46,041
Shares issue expense	-	(2,609)	-	-	-	-	-	-	-	(2,609)
Decrease in non-controlling interests as a result of de-registration of a subsidiary	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Transactions with owners	6,161	37,271	-	-	-	-	(13,100)	-	(4,000)	26,332
Profit for the year	-	-	-	-	-	-	-	143,744	63,183	206,927
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
- Exchange difference arising on translation of financial statements of foreign subsidiaries	-	-	-	-	-	2,352	-	-	-	2,352
Total comprehensive income for the year	-	-	-	-	-	2,352	-	143,744	63,183	209,279
Final dividend proposed	-	-	-	-	-	-	6,940	(6,940)	-	-
Transfer to statutory reserve	-	-	-	-	56,243	-	-	(56,243)	-	-
At 30 June 2014 (Unaudited)	133,882	302,585	20,720	4,582	93,892	3,234	6,940	239,378	320,750	1,125,963

* These reserve accounts comprise the consolidated reserves of approximately RMB671,331,000 (FY2013: RMB501,064,000) in the Group's statement of financial position.

Company	Share capital RMB'000	Share premium** RMB'000	Contributed surplus** RMB'000	Dividend proposed** RMB'000	Retained earnings/ (accumulated losses)** RMB'000	Total RMB'000
At 30 June 2012 and 1 July 2012 (Audited)	127,721	267,203	35,064	-	(38,813)	391,175
Profit for the year and total comprehensive income for the year	-	-	-	-	53,283	53,283
Final Dividend proposed	-	-	-	13,100	(13,100)	-
At 30 June 2013 and 1 July 2013 (Audited)	127,721	267,203	35,064	13,100	1,370	444,458
Dividend paid	-	-	-	(13,100)	-	(13,100)
Issuance of ordinary shares	6,161	39,880	-	-	-	46,041
Share issue expense	-	(2,609)	-	-	-	(2,609)
Transactions with owners	6,161	37,271	-	(13,100)	-	30,332
Profit for the year and total comprehensive income for the year	-	-	-	-	8,785	8,785
Final dividend proposed	-	-	-	6,940	(6,940)	-
At 30 June 2014 (Unaudited)	133,882	304,474	35,064	6,940	3,215	483,575

** These reserve accounts comprise the Company's reserves of approximately RMB349,693,000 (FY2013: RMB316,737,000) in the Company's statement of financial position.

1(d)(ii)Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 27 December 2013, there was a placement of 39 million ordinary shares at S\$0.245 each to certain unrelated investors.

There were no treasury shares held by the Company nor any shares which may be issued on conversion of any convertibles as at 30 June 2014 and 30 June 2013.

1(d)(iii)To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group		Company	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Total number of issued shares	694,000,000	655,000,000	694,000,000	655,000,000
Less: Treasury shares	-	-	-	-
Total number of issued shares excluding treasury shares	694,000,000	655,000,000	694,000,000	655,000,000

1(d)(iv)A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation as stated in the audited financial statements for the year ended 30 June 2013, except for the adoption for the new and amended International Financial Reporting Standards (IFRSs) which become effective on 1 July 2013. The adoption of these new and amended IFRSs did not give rise to significant change to the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Year ended	
	30/06/2014	30/06/2013
Earnings per ordinary share		
(a) Basic (RMB cents)	21.30	14.70
(b) Fully diluted (RMB cents)	N/A	N/A

Note:

The calculation of basic earnings per ordinary share is based on the profit for the year attributable to owner of the Company of approximately RMB143,744,000 (FY2013: RMB96,293,000) and on weighted average number of shares of approximately 674,874,000 respectively (FY2013: 655,000,000) ordinary shares in issue during the year.

Diluted earnings per ordinary share for the year ended 30 June 2014 and 30 June 2013 was not presented as there was no potential dilution of the Company's ordinary share capital.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Net asset value per ordinary share based on issued share capital at the end of the period: (RMB cents)	116.0	96.0	69.7	67.9

Notes:

Net asset value per ordinary share was calculated based on:

1. the shareholder's equity of the Group/ Company at 30 June 2014 and 30 June 2013; and
2. the issued ordinary shares of 694,000,000 at 30 June 2014 and 655,000,000 at 30 June 2013.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

Review of performance

Revenue

The Group's revenue for the year ended 30 June 2014 ("FY2014") was mainly derived from the sale of Phase II of Aqua Lake Grand City (绿湖豪城) in Nanchang City ("Aqua Lake Project"), Huadu Project (Phases I and II), namely Shan Qing Shui Xiu (山清水秀) and Jinshazhou Project, namely Ming Yue Jin An (明月金岸) in Guangzhou City.

An analysis of the Group's revenue for FY2014 is as follows:

	FY2014		FY2013	
	RMB'000	As a % of total revenue	RMB'000	As a % of total revenue
Residential units	798,830	60.1%	867,264	100.0%
Commercial units	425,329	32.0%	-	0.0%
Car park lots	104,142	7.9%	260	0.0%
	1,328,301	100.0%	867,524	100.0%

The Group's revenue amounted to RMB1,328.3 million for FY2014 which was RMB460.8 million higher compared to RMB867.5 million in FY2013.

The increase in revenue was mainly due to more residential units of Phase II of Aqua Lake Project and Jinshazhou Project handed over during the period. The Group had also handed over all the commercial units and certain villa units of Aqua Lake Project during the year.

The aggregate sales represented a total GFA of 74,382 sq m of residential units, 51,477 sq m of commercial units and 17,587 sq m of car park lots in FY2014, compared to 82,117 sq m of residential units and 24 sq m of car park lots sold in FY2013.

The Group's average selling price ("ASP") of residential units increased from RMB10,563 per sq m in FY2013 to RMB10,740 per sq m in FY2014. This was attributable to the higher ASP of certain villas units in Aqua Lake Project which were handed over during the year.

Cost of sales

The Group recorded cost of sales of RMB929.3 million for FY2014 which was RMB353.0 million higher compared to RMB576.3 million in FY2013. The increase in cost of sales was in line with the increase in revenue.

Gross profit

The Group recorded a gross profit of RMB399.0 million for FY2014 which was RMB107.8 million higher compared to RMB291.2 million in FY2013. The increase in gross profit was mainly due to more residential and commercial units handed over under Phase II of Aqua Lake Grand City during the year.

Other income and gains

The Group recorded other income and gains of RMB21.1 million for FY2014 which was RMB9.7 million higher compared to RMB11.4 million in FY2013. The increase was mainly due to an increase in rental income from Wenchang Project's commercial units, as more units were rented out with a higher rental rate compared to FY2013.

Fair value adjustments on investment properties

The Group recorded a gain of RMB96.2 million arising from fair value adjustments on the Group's investment properties in FY2014 compared to RMB68.2 million in FY2013 based on the valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited on 22 August 2014. The gain was mainly due to the improvement in real estate prices in certain cities of the PRC.

The increase of RMB28.0 million in fair value adjustment was due to more commercial units of Wenchang Project that transferred from "Properties held for sales" to "Investment properties" during the year.

Gain on disposal of a subsidiary

During FY2013, the Group completed the disposal of its 56% equity interest in Chengdu Hui Fu Investment Co. Limited and recognized a gain on disposal of RMB2.8 million.

Selling expenses

The Group recorded selling expenses of RMB70.3 million for FY2014 which was RMB3.4 million lower compared to RMB73.7 million in FY2013. The decrease was mainly due to the decrease in commission expenses as there were fewer properties sold by third party agents during this year.

The decrease was partially off-set by the increase in promotional expenses, salaries and allowances due to the launch of the pre-sales activities of Xilang Project during the year.

The breakdown of selling expenses for FY2014 is as follows:

	FY2014	FY2013	Variance	
	RMB'000	RMB'000	RMB'000	%
Advertising expenses	31,961	32,196	(235)	-1%
Commission expenses	3,937	15,777	(11,840)	-75%
Promotional expenses	18,129	14,059	4,070	29%
Salaries and allowances	6,911	5,125	1,786	35%
Rental expenses	4,608	4,038	570	14%
Others	4,747	2,530	2,217	88%
	70,293	73,725	(3,432)	-5%

Administrative expenses

The Group recorded administrative expenses of RMB104.2 million for FY2014 which was RMB16.7 million higher compared to RMB87.5 million in FY2013. The increase was mainly due to (i) higher local taxes that related to Aqua Lake Project incurred during the year as they were under-provided by RMB3 million in the last financial year; and (ii) increase in depreciation expenses as the Group made significant leasehold improvements to the Head Office during the year.

The breakdown of administrative expenses for FY2014 is as follows:

	FY2014	FY2013	Variance	
	RMB'000	RMB'000	RMB'000	%
Salaries and wages	29,947	29,373	574	2%
Entertainment expenses	23,705	23,400	305	1%
Other taxes	9,414	2,054	7,360	358%
Depreciation	9,071	5,357	3,714	69%
Travelling expenses	6,202	6,718	(516)	-8%
Office expenses	4,755	4,848	(93)	-2%
Directors' fee and remuneration	3,564	3,491	73	2%
Others	17,499	12,267	5,232	43%
	104,157	87,508	16,649	19%

Finance costs

The Group recorded finance costs of RMB2.3 million for FY2014 which was RMB0.6 million higher compared to RMB1.7 million in FY2013. The increase was mainly due to the increase in other borrowings which were used for working capital purpose during this year.

Income tax expense

The Group recorded income tax expense of RMB132.5 million for FY2014 which was RMB30.2 million higher compared to RMB102.3 million in FY2013. The amount mainly represented the PRC enterprise income tax of RMB103.2 million, land appreciation tax of RMB28.5 million and deferred tax liabilities of RMB0.8 million provided for the year.

Increase in income tax expense was due mainly to the increase in enterprise income tax as a result of increase in profit before tax.

Profit for the year

The Group recorded a profit of RMB206.9 million for FY2014 which was RMB98.5 million higher compared to RMB108.4 million in FY2013. The higher profit was due mainly to an increase in revenue and fair value adjustments on investment properties as mentioned above.

Cash flows analysis

For FY2014, the Group recorded RMB341.4 million of cash used in operating activities which was mainly attributable to the increase in prepayments, deposits paid and other receivables and decrease in receipt and advance and accruals, deposits received and other payables which was partially off-set by the decrease in properties held for sales.

Net cash outflow from investing activities in FY2014 of RMB190.4 million was mainly due to the increase in restricted bank deposits and the purchases of property, plant and equipment.

Net cash inflow from financing activities in FY2014 of RMB193.3 million was mainly due to the net proceeds from bank and other borrowings and the issuance of ordinary shares, which was off-set against the interest and dividend paid.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group Financial Position as at 30 June 2014

Non-current assets

As at 30 June 2014, the Group's non-current assets stood at RMB480.6 million, representing an increase of RMB147.7 million compared to RMB332.9 million as at 30 June 2013. The increase was mainly attributable to an increase in investment properties of RMB115.9 million and the property, plant and equipment of RMB23.6 million.

The increase in investment properties was mainly due to fair value adjustments as per valuation carried out by Jones Lang LaSalle Corporate Appraisal and Advisory Limited on the Group's investment properties of RMB96.2 million and the transfer of properties from "Properties held for sales" of RMB19.7 million.

Current assets

As at 30 June 2014, the Group's current assets stood at RMB3,987.4 million, representing a decrease of RMB208.1 million compared to RMB4,195.5 million as at 30 June 2013. The decrease was mainly attributable to a decrease in properties held for sale of RMB449.7 million which was mainly due to the sales of residential units during the year. The decrease was partially offset by the increase in property held under development of RMB191.5 million which was mainly due to the development of the Tonghua and Rushan Projects.

The increase of prepayment, deposits paid and other receivables of RMB234.9 million was mainly due to the deposit paid for development land parcels and the prepayment for the land use right, construction cost and material cost.

Current liabilities

As at 30 June 2014, the Group's current liabilities stood at RMB2,461.7 million, representing a decrease of RMB454.9 million, compared to RMB2,916.6 million as at 30 June 2013.

This was due mainly to i) a decrease in receipts in advance of RMB491.6 million as a result of the handing over of units during the year; ii) the decrease in account payable and accruals, deposits received and other payables of RMB185.1 million following the payment to suppliers during the year.

The overall decrease was offset by the increase in interest-bearing bank and other borrowings of RMB146.6 million as a result of the proceeds from new loans during the year.

Non-current liabilities

As at 30 June 2014, the Group's non-current liabilities stood at RMB880.2 million, representing an increase of RMB158.7 million, compared to RMB721.5 million as at 30 June 2013. This was mainly due to the increase in bank and other borrowings of RMB149.4 million as a result of proceeds from new loans obtained during the year.

Total equity

As at 30 June 2014, the Group's equity stood at RMB1,126.0 million, representing an increase of RMB235.6 million, compared to RMB890.4 million as at 30 June 2013. This was mainly due to the profit for the year and the placement of 39 million at S\$0.245 each on 27 December 2013.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with item 10 of the Company's results announcement for the period ended 31 March 2014 released via SGXNet on 12 May 2014.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The business outlook for the property sector in China remains challenging in the short term due to the government's property cooling measures. Property investments and housing sales continue to slow down in major cities and across the country. Tighter financial and credit environment have also kept the property market weak, as Chinese banks have become more cautious on extending property-related loans.

However, the Group remains positive about the longer term prospects despite the government's continued cooling measures. On a macro economic level, the China's economy is growing and levelling well. The 2013 GDP growth rate of 7.7% in China, though is well below the average of the last decade, is still above the 7.2% floor set by Premier Li Keqiang in November 2013.

National policies like urbanisation and easing of one-child policy will provide the impetus for housing demand. The approval of China's long-awaited plan to move more people to cities in a bid to boost economic growth would translate into a population shift of about 100 million from rural to urban over the next few years.

The Group is on schedule for its construction work in progress. Details of the occupancy and take-up rates of the Group five existing projects with pre-sale certificates as at 30 June 2014 are as follows:

	Shan Qing Shui Xiu (Phase I & II) (山清水秀)	Aqua Lake Grand City (Phase II) (绿湖豪城)	Ming Yue Xing Hui (明月星辉)	Ming Yue Jin An (明月金岸)	Ming Yue Shui An (明月水岸)
Total units for sales	408	1,005	431	404	630
Total units handed over to buyers as of 30 June 2014	233	930	423	341	-
Percentage of handed over	57%	93%	98%	84%	-
Pre-sale value not handed over to buyers as at 30 June 2014	RMB255.6 million	RMB267.1 million	RMB5.7 million	RMB64.4 million	RMB434.4 million

The balance of the pre sales value of the abovementioned projects will be progressively recognised as revenue from 1QFY2015 onwards.

In addition to the above five projects, the Group is in the process of planning and constructing five other developments, namely Hou De Zai Wu (厚德载物) in Tonghua City, Ren Jie Di Ling (人杰地灵) in Rushan City, Batai Mountain Project in Wanyuan City, Huizhou Project in Huizhou City and Conghua Project in Conghua City.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Subject to shareholders' approval at the forthcoming Annual General Meeting, the Board of Directors is recommending a final dividend of RMB0.01 per share (tax not applicable) for the financial year ended 30 June 2014.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

A final dividend of RMB0.02 per ordinary share (tax not applicable) for FY2013 which amounted to RMB13,100,000 had been paid on 13 December 2013.

(c) Date payable

The dividend payment date will be announced later.

(d) Books closure date

The books closure date will be announced later.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Update on use of Placement Proceeds

The Board refers to the net proceeds of RMB43,432,000 raised from the placement of 39 million ordinary shares on 27 December 2013. As at 30 June 2014, the Company had used RMB10 million for the Group's property development.

PART II -ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Properties development is the only business segment of the Group. No geographical segment analysis was presented as the Group's revenue was derived in the PRC. Accordingly, no separate business and geographical segment information was prepared.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

16. A breakdown of sales.

Not applicable

- 17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Group Year ended	
	30/06/2014	30/06/2013
	RMB'000	RMB'000
Total annual dividend		
- Interim	-	-
- Final	6,940	13,100
Total	<u>6,940</u>	<u>13,100</u>

- 18. General mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii)**

The Company does not have any IPT mandate.

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Lin Yeju	43	Spouse of Chen Jianfeng, Director and Substantial Shareholder.	Executive Director of Nanchang Changhao Real Estate Consultancy Co. Ltd., a wholly-owned subsidiary of the Company - 2008	Not applicable

BY ORDER OF THE BOARD

Chen Jianfeng
Executive Chairman

26 August 2014